## AMENDED IN SENATE JUNE 19, 2008 AMENDED IN SENATE JUNE 10, 2008 AMENDED IN ASSEMBLY APRIL 3, 2008 AMENDED IN ASSEMBLY MARCH 24, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

## ASSEMBLY BILL

No. 2347

## **Introduced by Assembly Member Ruskin**

February 21, 2008

An act to add Article 10.2.2 (commencing with Section 25214.8.10) to Chapter 6.5 of Division 20 of the Health and Safety Code, relating to hazardous waste.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2347, as amended, Ruskin. Mercury-added thermostats: collection program.

(1) Existing law prohibits, on and after January 1, 2006, a person from selling, offering to sell, or distributing for promotional purposes, in this state, a mercury-added thermostat, as defined, unless the mercury-added thermostat meets specified criteria. A violation of the hazardous waste control laws is a crime.

This bill would enact the Mercury Thermostat Collection Act of 2008 and would require a manufacturer, that owns or owned a name brand of mercury-added thermostats sold in this state before January 1, 2006, to establish and maintain a collection and recycling program for out-of-service mercury-added thermostats.

The bill would require the collection and recycling program for out-of-service mercury-added thermostats to meet certain requirements,

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including, but not limited to, developing a stewardship plan, as defined, developing educational and outreach materials, providing adequate incentives and education to contractors, service technicians, and homeowners to encourage return of out-of-service mercury-added thermostats to established recycling collection points, and on or before April 1, 2010, 2011, and on or before April 1 annually thereafter, submitting an annual report to the department with specified information and publishing the annual report on the program's Internet Web site. The stewardship plan would be required to contain certain prescribed elements and cover a specified time period, be submitted to the Department of Toxic Substances Control by on or before July 1, 2009, and be approved on or before the by the department.

The bill would require a wholesaler that has a physical location in the state to act as a collection site for out-of-service mercury-added thermostats, and would require a retailer or wholesaler that distributes new thermostats by mail to buyers in the state to include an Internet Web site address and toll-free telephone number with instructions on obtaining a prepaid mail-in label with the new thermostat. A wholesaler would also be required to distribute to its customers the educational and outreach materials developed by the program.

The bill would require a contractor who installs heating, ventilation, and air-conditioning components and who removes *out-of-service* mercury-added thermostats to handle the thermostat in accordance with hazardous waste regulations, *adopted pursuant to the hazardous waste control laws*, and take the mercury-added thermostat to a location with a program bin or a location operating in accordance with-state waste *those* regulations. A person demolishing a building would be required to remove the *out-of-service* mercury-added thermostats prior to demolition and dispose of them in the same manner.

This bill would require each program to achieve a recycling rate of 50% on or before December 31, 2012, and 75% on or before 2015. The department would be required to adopt regulations on or before January 1, 2012, establishing a methodology for calculating recycling rates performance requirements that specify recycling rates and a methodology for the calculation of the numbers of out-of-service mercury-added thermostats becoming waste annually.

The bill would require the program to conduct a survey, as prescribed, to provide to the department statistically valid data on the number of mercury-added thermostats becoming waste in California buildings.

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Because a violation of the act's requirements would be a crime, the bill would impose a state-mandated local program by creating new crimes.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

- (a) Mercury that is released into the atmosphere can be transported long distances and deposited in aquatic ecosystems, where it is methylated to methylmercury, the organic and most toxic form of mercury.
- (b) Methylmercury bioaccumulates and biomagnifies in animals, including fish and humans.
  - (c) The March 2007 report of the Office of Environmental Health Hazard Assessment stated that fish consumption advisories exist in about 40 states, including, within California, for the San Francisco Bay and Delta, Tomales Bay, and eight other county water bodies, and more locations may be included as more fish and water bodies are tested.
  - (d) Methylmercury is a known neurotoxin to which the human fetus is very sensitive.
  - (e) The federal Centers for Disease Control and Prevention estimate that between 300,000 and 630,000 infants are born in the United States each year with mercury levels that are associated, at later ages, with the loss of IQ.
  - (f) New evidence indicates that methylmercury exposure may increase the risk of cardiovascular disease in humans, especially adult men.
  - (g) According to a 2004 study by the federal Environmental Protection Agency, more than 10 percent of the estimated mercury reservoir still currently in use in the United States resides in mercury-added thermostats.

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(h) Decreases in local and regional sources of mercury emissions have been shown to lead to decreases in mercury levels in fish and wildlife.

- (i) As of January 1, 2006, state law banned the sale of new mercury-added thermostats for most uses, but the long lifetime of thermostats means that many of them are still in use.
- (j) State law bans the disposal of mercury-added thermostats in solid waste landfills, but according to an estimate by the Department of Toxic Substances Control, less than 5 percent of the mercury-added thermostats removed from buildings in the state are turned in to the Thermostat Recycling Corporation (TRC) collection program.
- (k) In 1998, thermostat makers General Electric, Honeywell, and White Rodgers, established the TRC to implement a program for collecting used mercury-added thermostats. Under the TRC program, thermostat wholesalers and contractors volunteer to collect thermostats from heating, ventilating, and air-conditioning contractors, and the general public. In 2007, the manufacturer Nordyne joined the program and the TRC expanded its voluntary program to household hazardous waste facilities.
- (*l*) The California Integrated Waste Management Board adopted an Overall Framework for an Extended Producer Responsibility (EPR) guidance document as a policy priority in September 2007 and approved refinements in January 2008.
- (m) The EPR framework recognizes that the responsibility for the end-of-life management of discarded products and materials rests primarily with the producers, thereby incorporating costs of product collection, recycling, and disposal into the total product costs so as to have a reduced impact on human health and the environment.
- (n) Producers that historically manufactured, branded, and sold mercury-added thermostats in California before 2006 have a responsibility to collect out-of-service mercury-added thermostats and ensure that they are properly handled and recycled.
- SEC. 2. Article 10.2.2 (commencing with Section 25214.8.10) is added to Chapter 6.5 of Division 20 of the Health and Safety Code, to read:

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Article 10.2.2. Mercury Thermostat Collection Act of 2008

- 25214.8.10. This article shall be known, and may be cited, as the Mercury Thermostat Collection Act of 2008.
- 25214.8.11. For purposes of this article, the following definitions shall apply:
- (a) "Manufacturer" means a business concern that owns or owned a name brand of mercury-added thermostats sold in this state before January 1, 2006.
- (b) "Mercury-added thermostat" has the same meaning as defined in paragraph (2) of subdivision (b) of Section 25214.8.1.
- (c) "Out-of-service mercury-added thermostat" means a mercury-added thermostat that is removed from a building or facility in this state and is intended to be discarded.
- (d) "Program" means a system for the collection, transportation, recycling, and disposal of out-of-service mercury-added thermostats that is financed, as well as managed or provided, by a manufacturer or collectively with other manufacturers.
- (e) "Retailer" means a person who sells thermostats of any kind directly to a consumer through a selling or distribution mechanism, including, but not limited to, a sale using catalogs or the Internet. A retailer may be a wholesaler if the person meets the definition of a wholesaler set forth in subdivision (h).
- (f) "Stewardship plan" means a plan written by a program detailing how it will meet its responsibilities for collecting and recycling out-of-service mercury thermostats in compliance with this article until regulations are adopted by the department pursuant to subdivision (c) of Section 25214.8.17.
- (g) "Thermostat" means a product or device that uses a switch to sense and control room temperature through communication with heating, ventilating, or air-conditioning equipment. "Thermostat" includes a thermostat used to sense and control room temperature in residential, commercial, industrial, and other buildings, but does not include a thermostat used to sense and control temperature as part of a manufacturing process.
- (h) "Wholesaler" means a person engaged in the distribution and wholesale selling of heating, ventilation, and air-conditioning components to contractors who install heating, ventilation, and air-conditioning components, and whose total wholesale sales

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account for 80 percent or more of total sales. A manufacturer, as defined by this section, is not a wholesaler.

25214.8.12. A manufacturer shall establish and maintain a collection and recycling program for out-of-service mercury-added thermostats in compliance with this article. A manufacturer may establish a collection and recycling program individually or collectively with other manufacturers, but the program shall meet all of the requirements of Section 25214.8.13. A program may contract with a retailer for an in-store or out-of-store collection of mercury-added thermostats.

25214.8.13. A collection and recycling program for out-of-service mercury-added thermostats shall meet all of the following requirements:

- (a) On or before July 1, 2009, the program shall submit to the department a stewardship plan detailing how the plan will meet the requirements of this article.
- (b) The mercury-added thermostats collected by the program shall be collected, handled, and recycled in compliance with this chapter and the regulations adopted pursuant to this chapter.
- (c) On and after July 1, 2009, the program shall provide authorized recycling bins for out-of-service mercury-added thermostat collection to wholesalers at a minimum cost.
- (d) On and after July 1, 2009, the program shall make available authorized recycling bins at no cost for out-of-service mercury-added thermostat collection to a local governmental agency, or its contractors, that requests a bin for mercury-added thermostat collection for use at a household hazardous waste collection facility or household hazardous waste event.
- (e) The program shall either collect the recycling bins when they are full, or pay for the costs of shipping the recycling bins provided pursuant to subdivisions (e) and (d) for proper handling and recycling of the out-of-service mercury-added thermostats as prescribed by the program.
- (f) On or before July 1, 2009, the program shall submit to the department a stewardship plan detailing outreach and education efforts by the program covering the stewardship plan time period between July 1, 2009, through December 31, 2011, that shall include, but is not limited to, the following outreach efforts and strategies:

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(1) The program shall develop a public service announcement promoting the proper disposal of mercury-added thermostats and provide copies of the public service announcement to the department and the California Integrated Waste Management Board for their use and promotion.

- (2) The program shall provide to the department and the California Integrated Waste Management Board a link to the program Internet Web site.
- (3) The program shall attempt to engage other stakeholders such as the California chapters of national waste, demolition, heating, ventilation, and air-conditioning organizations, as well as the State Public Works Board, household hazardous waste facilities, and the California League of Cities organization to help secure their support, participation, and help in promoting the program throughout California.
- (4) The program shall reach out to California utilities participating in demand response programs involving the replacement of thermostats and encourage their participation in the proper collection and disposal of out-of-service mercury-added thermostats. Additionally, the program may work to gain utility support to include an educational insert in their billing newsletter about the proper disposal of out-of-service mercury-added thermostats and program information.
- (5) The program shall contact wholesalers in California doing business with those branded manufacturers participating in that program and seek their participation in the program.
- (6) The program may work with retailers and other outlets to increase participation in the program and help to educate consumers on proper disposal of out-of-service mercury-added thermostats.
- (7) The program shall provide templates of educational materials on its Internet Web site that can be easily downloaded from the program Internet Web site.
- (g) The program shall develop educational and other outreach materials aimed at heating, ventilation, and air-conditioning contractors, demolition contractors, and their associations, municipal utility districts, and homeowners, and make those materials available to participating retailers, all wholesalers, and household hazardous waste programs. These materials shall include, but are not limited to, one or more of the following:

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(1) Signage that is prominently displayed and easily visible to the consumer and contractors.

- (2) Written materials and templates of materials for reproduction by retailers and wholesalers to be provided to the consumer at the time of purchase, delivery, or both purchase and delivery of a thermostat. The materials shall include information on the prohibition of improper disposal of mercury-added thermostats, on the proper methods for recycling of mercury-added thermostats, and on the available opportunities for recycling.
- (3) Advertising or other promotional materials, or both, that include references to the recycling opportunity.
- (4) Materials to be used in direct communications with the consumer and contractor at the time of purchase.
- (h) The program provides adequate incentives and education to contractors, service technicians, and homeowners to encourage return of out-of-service mercury-added thermostats to established recycling collection points.
- (i) The program encourages the purchase of programmable thermostats that comply with Part 6 (commencing with Section 100) of Title 24 of the California Building Standards Code and that qualify for the Energy Star program of the federal Environmental Protection Agency, as replacements for mercury-added thermostats.
- (j) On or before April 1, 2010, and on or before April 1 annually thereafter, the program shall submit an annual report covering the one-year period ending December 31st of the previous calendar year, but for the first year covering July 1, 2009, to December 31, 2009, inclusive, and post that report on their own Internet Web site. The annual report shall include all of the following:
- (1) The number of mercury-added thermostats collected in California and recycled by the program pursuant to this article during the previous calendar year.
- (2) The estimated total amount of mercury contained in the thermostat components collected by the program pursuant to this article.
- (3) An evaluation of the effectiveness of the program and whether or not the program met the performance requirements for collection established by this article.
- (4) An accounting of the administrative costs incurred in the course of administering the program, including a copy of Internal

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1 Revenue Service form 990 for a nonprofit organization's program.

- 2 For a for-profit organization's program, the program shall submit
- 3 independently audited financial statements detailing revenues and
- 4 a full accounting of administrative costs incurred in administering
   5 the program.

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- (5) A description of the outreach strategies employed by the program to increase participation and collection rates.
- (6) Examples of outreach and educational materials used by the program.
- (7) The facility name and location of all participating collection facilities in the program for the year.
- (8) The Internet Web site address where the annual report may be viewed online.
- (9) A description of how the collected thermostats were managed.
- (10) Any modifications the program is making in its stewardship plan.
  - (11) Any other information specified by the department.
- 25214.8.12. (a) A manufacturer shall establish and maintain a program for out-of-service mercury-added thermostats in compliance with this article.
- (b) A manufacturer may establish a collection and recycling program individually or collectively with other manufacturers, but the program shall meet all of the requirements of Section 25214.8.13.
- (c) A program may contract with a retailer for collection of out-of-service mercury-added thermostats.
- 25214.8.13. A program shall meet all of the following requirements:
- (a) On or before July 1, 2009, submit to the department a stewardship plan detailing how the plan will meet the requirements of this article.
- (b) Collect, handle, and arrange for the appropriate management of out-of-service mercury-added thermostats in compliance with this chapter and the regulations adopted pursuant to this chapter.
- 37 (c) On and after July 1, 2009, provide collection bins for 38 out-of-service mercury-added thermostat collection to wholesalers 39 at a cost not to exceed twenty-five dollars (\$25).

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(d) On and after July 1, 2009, make available collection bins at no cost for out-of-service mercury-added thermostats to any local governmental agency, or its contractors, that requests a collection bin for use at household hazardous waste collection facilities or household hazardous waste events.

- (e) Either arrange for pick-up of the collection bins, or pay for the costs of shipping the collection bins provided pursuant to subdivisions (c) and (d) for proper handling and recycling.
- (f) On or before July 1, 2009, submit to the department a stewardship plan detailing outreach and education efforts by the program covering the period between July 1, 2009, through December 31, 2011. The stewardship plan shall include, but is not limited to, all of the following:
- (1) A public service announcement promoting the proper management of out-of-service mercury-added thermostats. Copies of the public service announcement shall be provided to the department and the California Integrated Waste Management Board for their use and promotion.
- (2) The establishment of a public Internet Web site. Templates of educational materials shall be posted on the Internet Web site that are in a form and format that can be easily downloaded. A link to the Internet Web site shall be provide to the department and the California Integrated Waste Management Board.
- (3) A description of methods used to engage other stakeholders such as the California chapters of national waste, demolition, heating, ventilation, and air-conditioning organizations, as well as appropriate state agencies and local governments to secure support and participation to encourage the proper management of out-of-service mercury-added thermostats throughout California.
- (4) A description of strategies to work with California utilities participating in demand response programs involving the replacement of thermostats to encourage their participation in the proper management of out-of-service mercury-added thermostats. These strategies may include the inclusion of an educational insert in their customers' utility bills.
- (5) Contact wholesalers in California and encourage their support and participation in educating their customers on the proper management of out-of-service mercury-added thermostats.
- (6) A description of strategies used to encourage support and participation by retailers and other outlets to educate consumers

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on the proper management of out-of-service mercury-added thermostats.

- (g) On or before July 1, 2009, the program shall develop, and update as necessary, educational and other outreach materials aimed at heating, ventilation, and air-conditioning contractors, demolition contractors, and their associations, municipal utility districts, and homeowners, and make those materials available to participating retailers, all wholesalers, and household hazardous waste programs. These materials shall include, but are not limited to, one or more of the following:
- (1) Signage that is prominently displayed and easily visible to the consumer and contractors.
- (2) Written materials and templates of materials for reproduction by retailers and wholesalers to be provided to the consumer at the time of purchase, delivery, or both purchase and delivery of a thermostat. The materials shall include information on the prohibition of improper disposal of mercury-added thermostats, the proper management of out-of-service mercury-added thermostats, and the locations of collection opportunities.
- (3) Advertising or other promotional materials, or both, that include references to the collection opportunities.
- (4) Materials to be used in direct communications with the consumer and contractor at the time of purchase.
- (h) The program shall provide adequate incentives and education to contractors, service technicians, and homeowners to encourage return of out-of-service mercury-added thermostats to established collection points.
- (i) The program shall encourage the purchase of programmable thermostats that comply with Part 6 (commencing with Section 100) of Title 24 of the California Building Standards Code and that qualify for the Energy Star program of the federal Environmental Protection Agency, as replacements for mercury-added thermostats.
- (j) On or before April 1, 2011, and on or before April 1 annually thereafter, the program shall submit an annual report to the department covering the one-year period ending December 31st of the previous calendar year, and post that report on the program's Internet Web site. The annual report shall include all of the following:

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 (1) The number of out-of-service mercury-added thermostats collected in California during the previous calendar year.

- (2) The estimated total amount of mercury contained in the collected out-of-service mercury-added thermostats.
  - (3) An evaluation of the effectiveness of the program.
- (4) Commencing with the report due April 1, 2013, a comparison to the performance requirements for collection established pursuant to subdivision (c) of Section 25214.8.17.
- (5) An accounting of the program administrative costs, including a copy of Internal Revenue Service form 990 for a nonprofit organization's program. For a for-profit organization's program, the program shall submit independently audited financial statements detailing revenues and a full accounting of administrative costs incurred.
- (6) A description of the outreach strategies employed by the program to increase participation and collection rates.
- (7) Examples of outreach and educational materials used by the program.
- (8) The facility name and location of all participating collection facilities in the program for the year.
- (9) The Internet Web site address where the annual report may be viewed online.
- (10) A description of how the collected out-of-service mercury-added thermostats were managed.
- (11) Any modifications the program is proposing to its stewardship plan.
  - (12) Any other information specified by the department.
- (k) On or before April 1, 2010, the program shall submit a report to the department that includes the information required pursuant to subdivision (j) covering the period from July 1, 2009, to December 31, 2009, inclusive.
- 25214.8.14. (a) A wholesaler that has a physical location in the state shall act as a collection site for out-of-service mercury-added thermostats.
- (b) A retailer or wholesaler that distributes new thermostats by mail to buyers in the state shall include with the sale of the new thermostat, an Internet Web site address and toll-free telephone number with instructions on obtaining a prepaid mail-in label that a consumer may use to send an out-of-service mercury-added thermostat to-an authorized recycler collection location.

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(c) A wholesaler shall distribute the educational and outreach materials developed by the program pursuant to Section 25214.8.13 to the customers of that wholesaler their customers.

25214.8.15. A contractor who installs heating, ventilation, and air-conditioning components and who removes a mercury-added thermostat shall handle the thermostat in accordance with hazardous waste regulations, and take the mercury-added the regulations adopted pursuant to this chapter, and take the out-of-service mercury-added thermostat to a location with a program bin or a location operating in accordance with state waste those regulations.

- 25214.8.16. A person who demolishes a building shall remove any mercury-added thermostats from the building prior to demolition in accordance with hazardous waste regulations all applicable regulations adopted pursuant to this chapter, and take the mercury-added thermostat to a location with a program bin or a location operating in accordance with state waste regulation. take the out-of-service mercury-added thermostat to a location that is authorized to collect out-of-service mercury-added thermostats.
- 25214.8.17. (a) The department shall review and approve the stewardship plan submitted by the programs and post the links to the program Internet Web site.
- (b) The department may order a program to revise its plan, or to undertake activities in accordance with its plan, in order to comply with the requirements of this article.
- (c) Each program shall achieve a recycling rate of 50 percent on or before December 31, 2012, and 75 percent on or before 2015. The department shall adopt regulations on or before January 1, 2012, establishing a methodology for calculation of recycling rates.
- (c) On or before January 1, 2012, the department shall adopt regulations for all of the following:
- (1) To develop performance requirements for the program that specify recycling rates expressed as a percentage of out-of-service mercury-added thermostats becoming waste annually.
- (2) To establish a methodology for the calculation of the number of out-of-service mercury-added thermostats becoming waste annually.
- 25214.8.18. The program shall conduct a survey to provide statistically valid data on the number of mercury-added thermostats becoming waste in California buildings. The program shall present

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1 the department with a plan for the survey's methodology no later

2 than March 1, 2009. The program shall complete the survey by

3 November 1, 2009, and present all survey data to the department

4 by December 31, 2009.

5 SEC. 3. No reimbursement is required by this act pursuant to 6 Section 6 of Article XIIIB of the California Constitution because

the only costs that may be incurred by a local agency or school

8 district will be incurred because this act creates a new crime or

infraction, eliminates a crime or infraction, or changes the penalty

10 for a crime or infraction, within the meaning of Section 17556 of

11 the Government Code, or changes the definition of a crime within

12 the meaning of Section 6 of Article XIII B of the California

13 Constitution.